Hybrid accountability in cooperative initiatives for global climate governance

Widerberg, O.E.; Pattberg, P.H.; Brouwer, Lieke

published in
Global Environmental Governance and the Accountability Trap
2019

DOI (link to publisher)
10.7551/mitpress/11709.003.0011

document version
Publisher's PDF, also known as Version of record

5 Hybrid Accountability in Cooperative Initiatives for Global Climate Governance

Oscar Widerberg, Philipp Pattberg, and Lieke Brouwer

Introduction

Few other global environmental issues have witnessed a larger proliferation of new governance initiatives than climate change. Thousands of states, cities, regions, companies, and civil society groups collaborate around climate action. What some have described as a "Cambrian explosion" of governance initiatives (Keohane and Victor 2011, 12) has shifted the center of gravity in global climate governance away from the multilateral state-led response under the United Nations Framework Convention on Climate Change (UNFCCC) toward a polycentric structure (Jordan et al. 2015). This diffusion of authority between public and private institutions poses important accountability challenges for the global climate governance system (Widerberg and Pattberg 2017). Hybrid cooperative initiatives, where public and private actors collaborate on climate action, are particularly interesting. They render traditional conceptualizations of accountability that requires a division of organizations into public or private increasingly difficult to work with (Bäckstrand 2008; chapter 1, in this volume). Consider, for example, the Portfolio Decarbonization Coalition (PDC), a multistakeholder initiative targeting asset managers and holders to decarbonize their portfolios. The initiative is run by the United Nations Environmental Programme (UNEP), together with a Swedish pension fund (AP4), a European asset manager (Amundi), and partnering with an international nongovernmental organization (CDP). In a hybrid constellation such as the PDC that brings public and private actors together, who is ultimately responsible for making sure that the organizations involved live up to their commitments? By what standards should they be held accountable and what sanctions are available if the partners choose not to comply with the rules?

This chapter examines accountability in hybrid climate governance initiatives. It zooms in on what Kramarz and Park call second-tier accountability, at the level of execution of interventions (see chapter 1, in this volume). This chapter discusses processes and standards that initiatives use to measure and evaluate progress; whether sanctions are available to punish noncompliance; and discernable impacts from the initiatives. The chapter presents evidence from four case studies of hybrid cooperative initiatives, based on data from the CONNECT project[1].

The next section presents a brief introduction to cooperative initiatives in global climate governance and their relation to what Kramarz and Park call the the accountability trap (see chapter 1, in this volume). Subsequently, the case study selection is presented as well as short introductions to each case. Next, the chapter presents the analysis of the processes, standards, and sanctions of accountability in the case studies. Finally, the impacts of the initiatives are discussed, and the concluding section summarizes the findings and outlines priorities for future research.

The Rise of Cooperative Initiatives in Climate Governance: An "Accountability Trap"

Cooperative initiatives, social innovations, *climate clubs*, and *experiments* are among the multiple terms used to describe multistakeholder initiatives where public and private stakeholders collaborate to solve climate-related problems (Widerberg and Stripple 2016). In this chapter, the term cooperative initiatives refers to transnational hybrid initiatives, defined as "institutionalized transboundary interactions between public and private actors, which aim at the provision of collective goods." (Schäferhoff, Campe, and Kaan 2009, 455; see also chapter 1, in this volume). Cooperative initiatives are characterized by transnationality (involving crossborder interactions and nonstate relations); public policy objectives (as opposed to public bads or exclusively private goods); and a network structure (coordination by participating actors rather than coordination by a central hierarchy), where participation is voluntary (Pattberg and Widerberg 2016).

Cooperative initiatives have moved from the fringes into the center of global climate politics. Alternative approaches to the multilateral efforts, including cooperative initiatives, have increasingly been discussed after the failure of the 15th Conference of the Parties (COP) to the UNFCCC

in Copenhagen, (Falkner, Stephan, and Vogler 2010; Victor 2011). In the run-up to COP 21 held in Paris in 2015, cooperative initiatives gained increasing attention from the formal climate regime, partly due to the work of the Second Workstream of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP2) to the UNFCCC, which was established in 2011 and tasked with finding ways to enhance pre-2020 climate action. ADP2's challenge was to close the so-called "ambition gap" which had emerged between the pledges made by parties to the UNFCCC and the decarbonization pathway needed to reach the global target of stabilizing global warming to 2°C. Under the supervision and mandate of ADP2, the UNFCCC Secretariat provided two technical reports exploring the potentials in cooperative initiatives and set up a simple database on the UNFCCC homepage, listing a selection of initiatives (Widerberg and Stripple 2016). Several observers hoped that such climate actions by nonparty stakeholders, including cooperative initiatives, could help wedge the ambition gap (UNEP 2015; Blok et al. 2012).

The outcomes of the COP 21 provided unprecedented recognition of nonparty stakeholders and cooperative initiatives in delivering climate action, taking several decisions to increase their capacity (Hale 2016). Governments decided *inter alia* that two high-level champions would be elected to facilitate "the successful execution of existing efforts and the scaling-up and introduction of new or strengthened voluntary efforts, initiatives and coalitions." They encouraged nonparty stakeholders to register their actions in the Non-State Actor Zone on Climate Action (NAZCA), a data platform launched in conjunction with COP 20 in Lima in 2014. And finally, governments decided to convene a high-level event pursuing the Lima-Paris Action Agenda (LPAA), also launched at COP 20, which gave nonstate actors, including multistakeholder climate coalitions, much attention. In the wake of COP 21, several processes (e.g., the Marrakech Partnership for Global Climate Action and the Talanoa Dialogue) have been started to further highlight climate action by nonparty stakeholders and cooperative initiatives. The processes in the UNFCCC aiming to integrate private and hybrid governance initiatives with the existing public regime has also spurred regional and national offsprings. In Sweden and Argentina for instance, governments and civil society groups are launching new initiatives to bring nonstate and subnational climate initiatives closer to the national decision-making processes (Chan, Ellinger, and Widerberg 2018).

In sum, events at both the international, transnational, and national level suggest that cooperative initiatives are gaining further traction as an instrument of choice for addressing climate change.

To what extent are cooperative initiatives having concrete impacts? It is true that a large number and wide variety of cooperative initiatives have been observed and documented in both academic and policy circles (Widerberg, Pattberg, and Kristensen 2016; Bulkeley et al. 2014). For example, the UNEP Climate Initiative Platform contains 222 initiatives to date and the UNFCCC platform NAZCA, established in 2014, showcases 77 cooperative initiatives. Many initiatives engage in actions which, in theory, increase transparency and processes such as creating new standards, recording information on actions and commitments, and publishing progress reports to decision-makers and the general public (Bulkeley et al. 2014; Green 2013). They also generate a baffling amount of data, studies, and reports. The CDP, for instance, records data from over 5,000 companies on climate change, forests, water, and supply chains. The carbon*n* Climate Registry provides a platform for local and subnational governments to report on climate targets and GHG emissions, collecting data from over 600 cities and local governments in more than 60 countries. In theory, cooperative initiatives are thus ameliorating the conditions for holding actors accountable for their activities that have an impact on climate change. By publishing climate commitments of a city or company, for instance, as well as continuously monitoring and reporting on performance, cooperative initiatives provide material for holding actors accountable for their actions. Despite all these cooperative initiatives, however, global greenhouse gas (GHG) emissions keep increasing at a relentless speed, resulting in unprecedented levels of carbon dioxide in the atmosphere (IPCC 2014). So while the possibilities for holding those governing climate change to account have multiplied, the impact on GHG emissions appears nonexistent. This is what Kramarz and Park call the accountability trap, in which the number of processes for accountability increase alongside the "continued deterioration of the environment" (see chapter 1, in this volume). What explains the accountability trap when it comes to climate change? Kramarz and Park develop a two-tier model, focusing on the design of institutions and execution of interventions. Central to their model is the notion that actors have different goals when entering an initiative, as well as different responsibilities and target audiences. For example, a liberal democracy is answerable to its electorate

for delivering a public good, a firm to its shareholders to generate return on investments, and a civil society organization (CSO) to uphold moral standards to its followers (see chapter 1, in this volume).

For studying accountability, several analyses have used the concept of "accountability regimes" (Mashaw 2006; Chan and Pattberg 2008). Different accountability regimes can be distinguished through "ideal types" of governance systems that can be divided into public, private, social, or variations thereof (Chan and Pattberg 2008; Mashaw 2006; chapter 1, in this volume). Public actors answer to their citizens through "public accountability regimes" that are hierarchically arranged where "obligations flow up and down hierarchies" (Chan and Pattberg 2008, 105). Private and nongovernmental institutions are linked through "market-based accountability regimes" that are organized around market principles (Mashaw 2006, 122). The third broad category of ideal types are "social accountability regimes" that encompass a wide variety of accountability relationships, from family ties to club membership (Chan and Pattberg 2008, 105). The ideal types and accountability regimes in turn correspond to three actor types: public authorities, firms, and civil society. In public systems, the goal is to provide a public good and to be answerable to an electorate or other political communities; private systems concern economic benefits to consumers and shareholders; and voluntary systems concern commonly "agreed upon moral standards of conduct among self-selected, like-minded individuals" (chapter 1, in this volume). Consequently, different logics lead to different accountability standards, processes, and sanctioning opportunities.

Hybrid cooperative initiatives blur the distinction between public and private institutions. For instance, one of the case studies in this chapter, the Roundtable on Sustainable Biomaterials (RSB) standard, is developed under the auspices of members from the entire supply chain of biomaterials, as well as representatives from diverse groups, such as environmental NGOs (ENGOs), trade unions, and researchers. Bäckstrand (2008, 80) contends that in these cases of networked partnerships, the most applicable types of accountability mechanisms are nonhierarchical and horizontal. These accountability mechanisms are characterized by *reputational accountability*, requiring functioning monitoring mechanisms; *market accountability*, providing signals for rewards or punishment; and *peer accountability*, allowing peers to monitor and assess each other. Bäckstrand further suggests that cooperative initiatives should be accountable to many different

actors, state and nonstate, since networked governance arrangements are "neither directly accountable to an electoral base nor do they exhibit clear principal agent relationships" (Benner et al. in Bäckstrand 2008, 82). Bäckstrand, Kramarz, and Park's writings suggest that governance structures characterized by multiple types of actors and networked, horizontal governance modes require us to "unpack" the principal-agent conceptualization of accountability (Bäckstrand 2008, 80). This chapter empirically unpacks the accountability relationship between public and private actors engaged in cooperative initiatives using Kramarz and Park's (Kramarz and Park 2016; see also introductory chapter) second-tier accountability concept, exploring the processes, standards, sanctions, and impacts of accountability. The following section explains the case selection and research approach.

Case Study Selection

Research on cooperative initiatives in global climate governance has increased rapidly, also from an accountability perspective (Widerberg and Pattberg 2017). By creating databases, academics and international organizations are mapping the field of cooperative initiatives in a systematic way (see Widerberg and Stripple 2016 for an overview). NAZCA and the Climate Initiatives Platform for instance, are leveraging the data-gathering efforts by organizations such as CDP and the Covenant of Mayors that focus on specific types of actors such as companies and subnational authorities. Consequently, our understanding of how the landscape of cooperative initiatives is structured has improved tremendously. An interesting observation emerging from the data is that cooperative initiatives often engage directly in creating accountability mechanisms such as standard setting, monitoring, reporting, and publishing. For instance, over 40 percent of the eighty-nine cooperative initiatives collected in the CONNECT project have a "standards and commitments" function, meaning that they require their members to follow certain standards of behavior (e.g., carbon accounting standards) or commit to climate actions (e.g., by publicly stating a carbon reduction target).

This chapter uses a case study approach to investigate what processes and standards initiatives have in place to ensure measures are taken and progress evaluated; what sanctions are used for dealing with misconduct and failure to live up to commitments; and what impacts can be attributed

to the initiatives. Case studies allow for going beyond just observing that cooperative initiatives engage in activities related to accountability, and toward exploring how they do so (Yin 2014). To select cases, the chapter starts with a data set of eighty-nine cooperative initiatives gathered in the CONNECT project (Widerberg, Pattberg, and Kristensen 2016). The cooperative initiatives included in the data-set are (1) international and transnational institutions, (2) who not only have the intentionality to steer the policy and behavior of their members or a broader community, (3) but also explicitly mention a common governance goal (4) accomplishable by significant governance functions (Widerberg, Pattberg, and Kristensen 2016). For each cooperative initiative, the data-set includes information on focus area (e.g., urban climate action, climate finance, or energy efficiency), number of members, year of initiations, and various other descriptive statistics. Furthermore, the institutions have been visually mapped using a conceptual model called a "governance triangle," designed by Abbott and Snidal (2009a, 2009b; Abbott 2012). The triangle is divided into seven zones. Zones 1, 2, and 3 comprise institutions with only public, firm, or CSO members. Zones 4, 5, and 6 contain hybrid constellations between two of the three types of actors. Zone 7 contains multistakeholder institutions, where all three types of actors collaborate. Each cooperative initiative is thus situated in the governance triangle depending on its constituent members (public, firm, or CSO). Further, the cooperative initiatives are color coded according to their primary functions, including the following: standard and commitments, operational, information and networking, or financing. Figure 5.1 shows the CONNECT project's version of the climate governance triangle (which is an updated and slightly tweaked version of Abbott, 2012).

This chapter focuses on multistakeholder institutions situated in zone 7, since the primary interest of this chapter is accountability in hybrid constellations where public and private actors cooperate. Moreover, it is reasonable to argue that some cooperative initiatives perform functions that are more relevant for accountability than others. Cooperative initiatives setting up standards and commitments are directly aiming to provide instruments and data which in theory enable holding an organization accountable, or at least monitoring its actions. An institution focusing on information and networking may be less interesting from an accountability perspective since it, in theory, does not suggest an accountability relationship between the members of the institution or to an external constituency.

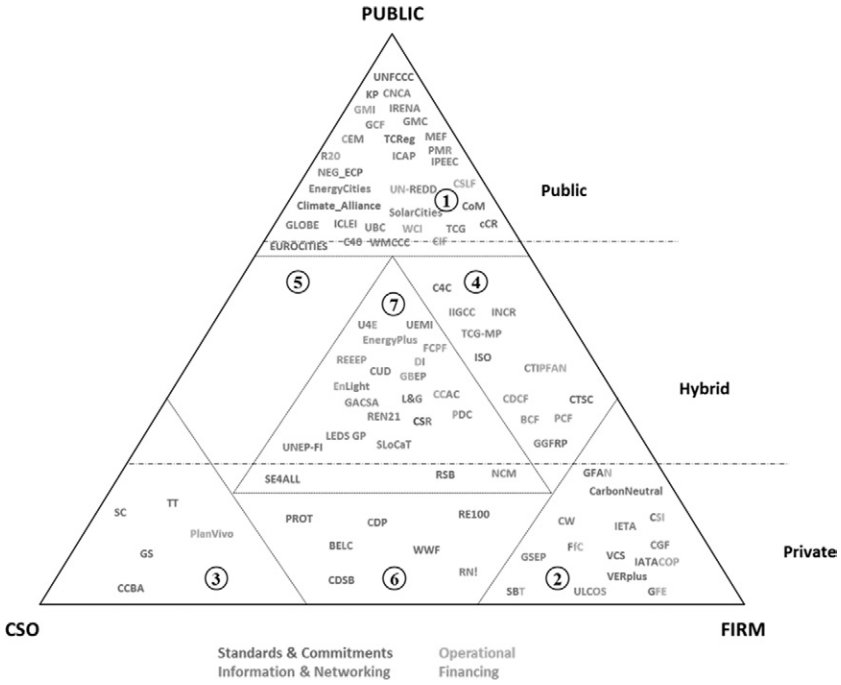

Figure 5.1
Climate governance triangle (published in Widerberg, Pattberg, and Kristensen 2016 and Widerberg and Pattberg 2016, based on Abbott and Snidal, 2009a and b; Abbott, 2012).

The case selection is therefore limited to cooperative initiatives located in zone 7 in the governance triangle and that have standards and commitments as primary functions. Four cases fit these criteria: Lean and Green (L&G); Compact of States and Regions (CSR); UNEP Financial Initiative's Portfolio Decarbonization Coalition (UNEP FI PDC); and the RSB. Due to practical reasons of data gathering, the Sustainable Energy for All (SE4ALL) initiative has been excluded from the study.

Table 5.1 presents the initiatives selected for case studies. All initiatives involve standards and commitments and engage public, CSO, and firm actors in a hybrid form of collaboration. The members are those actors that are formally able to exert influence on the rules, norms, operations, or performance of the initiative, and solely concern organizations (not individuals). The table includes the initiative's name, acronym, starting date,

Table 5.1
Overview of case studies (adjusted from Widerberg, Pattberg & Kristensen, 2016)

Name	Acronym	Start	Members	Participants	Target group	Description
Lean and Green	L&G	2008	1	300	Transport sector	Promotes L&G standard/certification for carbon reduction and cost efficiency
Compact of States and Regions	CSR	2015	4	62	Subnational governments	Collects and publishes data on GHG emissions, reduction targets, and policies
Portfolio Decarbonization Coalition	PDC	2014	4	27	Asset owners and managers	Through disclosure and strategy development, decarbonize investments
Roundtable on Sustainable Biomaterials	RSB	2007	93	92	Biomaterial producers	Using a certification scheme to verify sustainable and ethically sourced biomaterials

number of members[2], number of participants, target group or sector, and a short description of main goals.

The table shows the wide variance across the cases in terms of starting year, number of members, target group, and types of goals. In the following sections, each case is described in more detail:

Lean and Green (L&G) is a transnational cooperative initiative targeting GHG emissions in the transport sector. Started in 2008 by the Dutch-based network Conneckt, it is now active in five countries across three transport sectors: logistics, personal mobility, and inland container shipping. The participating companies and organizations commit to lowering their carbon dioxide (CO_2) emissions by 20 percent in five years. If the target is reached, the company could win the L&G award and becomes eligible for a L&G star, a certification for climate action. The award functions as an indicator for the front-runners in the program, and thus in theory incentivizes other companies to increase their ambitions. The certifications can be used for public relation purposes and are, for instance, portrayed on the trucks of the companies involved in the initiative.

The Compact of States and Regions (CSR) is a cooperative initiative established in September 2014 at the New York Climate Summit that engages subnational governments in providing data on their GHG emissions. CSR is a partnership between five large nonprofit organizations, including the Climate Group, CDP, Regions of Climate Action (R20), and Network of Regional Governments for Sustainable Development (nrg4SD). Also, Local Governments for Sustainability (ICLEI, formerly the International Council for Local Environmental Initiatives), the world's largest initiative for cities and subnational governments, is a supporting partner and provides the carbon*n* Climate Registry (cCR), which is used as the CSR's reporting platform. The main aim of the CSR is to gather data, report, and assess the progress made toward their emission reduction commitments. Despite its recent start, the CSR already collects emissions and commitment data from nearly forty-four subnational governments. Its first aggregate report was released and presented at the COP 21 in Paris.

The United Nations Environmental Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global finance sector which started in

2003. With nearly 220 members, the initiative focuses on climate finance. Under UNEP FI, the PDC started in 2014 aimed at investors, specifically asset owners and asset managers (UNEP FI 2016a). A key goal for the initiative is to make a carbon footprint measurement and for periodical disclosure to become common practice for investors (UNEP FI 2016a). Currently, the PDC brings together twenty-five investors managing $3.2 trillion in assets, of which decarbonization commitments represent $600 billion (UNEP FI 2016b).

The Roundtable on Sustainable Biomaterials (RSB) is a cooperative initiative which started in 2007, targeting emissions in the biomaterials industry. The industry includes companies engaged in using materials derived from plants or manure, which can be converted and used as an energy source. The RSB gathers stakeholders from all parts of the value chain in the biomaterials industry, as well as civil society (trade unions and rights-based NGOs; social development NGOs; ENGOs), public actors (government, multilateral organizations), and academia. The key instrument is a certification scheme which is provided to companies and organizations producing biomaterials that are sustainable, ethical, and credibly sourced.

For each cooperative initiative, four questions are addressed (also see chapter 1, in this volume):

1. What processes demonstrate accountability?
2. What standards demonstrate accountability?
3. What sanctions are available when there is failure to meet those standards?
4. What impacts do the accountability practices have on reshaping the goals of parties involved in governing the global environment?

Three types of data were collected. First, academic literature and research reports provide a theoretical and practical understanding of hybrid cooperative initiatives in the wider context of environmental and climate governance. Second, home pages and reports by the cooperative initiatives themselves were used. Third, semistructured interviews with 12 representatives from the initiatives themselves, as well as organizations participating in the initiatives, were carried out via telephone or Skype in June and July 2016 (see table 5.2). The next section presents and discusses the results of the case studies.

Table 5.2
Interviews

Initiative	Institution	Respondent Number	Respondent Location	Means	Date
Compact of States and Regions	CSR	R1	UK	Telephone	June 8, 2016
	Newfoundland and Labrador	R2	Canada	Telephone	July 14, 2016
	Newfoundland and Labrador	R3	Canada	Telephone	July 14, 2016
	Baden-Württemberg	R4	Germany	Telephone	July 21, 2016
	Baden-Württemberg	R5	Germany	Telephone	July 21, 2016
Roundtable on Sustainable Biomaterials	RSB	R6	Switzerland	Skype	June 15, 2016
	SkyNRG	R7	The Netherlands	Telephone	July 4, 2016
	Sunchem	R8	South Africa	Skype	July 5, 2016
Lean and Green	L&G	R9	The Netherlands	Skype	June 16, 2016
	L&G	R10	The Netherlands	Skype	June 16, 2016
	Moonen Packaging	R11	The Netherlands	Email	July 20, 2016
UNEP-FI Portfolio Decarbonization Coalition	UNEP FI PDC	R12	France	Telephone	June 27, 2016

Results: Accountability Processes, Standards, Sanctions, and Impacts in Four Cooperative Initiatives

This section discusses "means of accountability," including processes, standards, and sanctions, as well as impacts, across four cooperative initiatives.

Processes

Accountability processes, meaning "through what processes accountability is to be assured" (Mashaw 2006, 118), are likely to be structured differently depending on the constellation of actors. An initiative comprising governments and democratically elected officials, for instance, may face other transparency and procedural demands than a voluntary initiative between companies. Levels of inclusiveness, disclosure, and publicity are likely to differ in public, private, or hybrid settings. For instance, in public governance institutions, accountability processes could mean transparency and public access to data such as budget reviews; in private governance institutions, this could be financial disclosure, auditing reports, following business praxis; and in voluntary initiatives, it could be norm dissemination, lobbying, and information campaigns (see chapter 1, in this volume). In hybrid initiatives, such as those studied in this chapter, it is interesting to examine what accountability processes gain footholds in each initiative.

The accountability processes differ quite substantially across the four cases in terms of levels of detail and rigor. The RSB is perhaps the most advanced in this respect. If a company is to receive an RSB certificate it needs to follow a procedure of application and prepare and be subjected to an audit. Different types of companies, be they smallholders or large scale biomass producers, can choose between different certifications. After notifying the RSB, receiving an approval, and contacting a third-party auditor accredited by the RSB, companies have to prepare for an audit by working their way through an extensive checklist using tools provided by the RSB. If the auditor considers the company ready, it receives the certification. Depending on their risk level, RSB participants are periodically evaluated (every year or every two years) depending on their risk score (Roundtable on Sustainable Biomaterials, 2017). L&G also provides a certification and an award. Organizations are expected to provide a plan of action, which is evaluated by a third-party auditor (TNO 2015). The plan receives a grade arranged on a three-point scale (green, orange, or red) depending on its

quality. Red indicates that the entire plan must be rewritten, something which is allowed up to three times. If the plan is given a green grade, the L&G award is given. If the plan is not approved, it gets an orange grade for improvement, or if it needs to be redone entirely, it gets a red grade. The company then has five years to execute the plan; if they are successful, they receive an L&G star, which corresponds to a certificate. A second star can be obtained through an enhanced plan with more elaborate CO_2 monitoring (Connekt 2017).

In contrast to RSB and L&G, accountability is demonstrated in the CSR and the PDC by information disclosure. Commitments and progress made are published annually in the CSR disclosure reports, providing detailed information on the goals and actions by cities and regions. Similarly, the PDC relies on the commitments their participants make and their decarbonization strategies in the annual report of the Portfolio (UNEP FI and CDP 2015).

A distinction regarding accountability processes can thus be made between the RSB and the L&G, which have certification-based processes, and the CSR and PDC, which have disclosure-based processes. Certification-based approaches have different accountability process logics than disclosure-based approaches. The certification-based approaches have detailed safeguards ensuring that their target companies comply with certain standards. In particular, the third-party verification system is a powerful tool for distancing the cooperative initiative itself from the actual process of accountability (see chapter 3, in this volume). For disclosure-based approaches, such as in CSR and PDC, the key to change is disclosing information about the behaviors and accomplishments of the participating actors to a third party, for instance, the public (Mitchell 2011).

Standards

Standards for accountability refers to the yardstick by which agents are held to account. In climate governance, an impact-level yardstick would be GHG emissions; however, few cooperative initiatives are collecting such data, or engage in governance mechanisms that only indirectly are expected to reduce emissions (Widerberg and Stripple, 2016). Hence, beyond direct GHG emissions reductions, for public governance institutions, standards for accountability could be legislation, policy instruments, or monitoring.

For private governance institutions, it could be prices, environmental, social, or other governance standards and benchmarks, and availability of products. Finally, for voluntary initiatives, it could be the uptake of a certain norm by the target group (chapter 1, in this volume). In hybrid initiatives, not all these standards are available to the group as a whole. For instance, a company cannot always be held accountable by the same yardstick as a subnational government.

Across the four cases, the certification-based cooperative initiatives differ distinctively from the disclosure-based approaches when it comes to standards. The certification-based approaches both have highly developed and detailed standards for which to hold the organizations in question to account. The RSB employs specific standards that are based on 12 principles going beyond GHG emissions, including the following: legality—the laws and regulations that apply are adhered to; human and labor rights—these rights are not violated and decent work and workers' wellbeing is being promoted; and land rights—respecting traditional land rights of local and indigenous communities. GHG emissions should be significantly reduced compared to fossil fuel use. Counted across the whole life cycle, the RSB requires 50 percent lower life-cycle GHG emissions than a fossil fuel baseline. L&G also have detailed standards for assessment; however, the focus is entirely on reduction of CO_2 emissions. The level of detail in the plans submitted by the companies is key to receiving a favorable recommendation from the auditor. Organizations aiming for the first L&G star have to adhere to the standard of a minimum greenhouse gas emissions reduction of 20 percent, to be achieved within a maximum of five years.

On the other hand, the disclosure-based cooperative initiatives have far less rigid systems and standards for accountability. The CSR expects participants to report a public commitment to reduce their greenhouse gas emissions to the Compact with regionwide inventory data on an annual basis. There are no requirements as to the level of ambition of targets or progress toward those targets. Asset owners and managers taking part in the PDC are requested to have made a climate-related disclosure pledge, decide on a decarbonization strategy, and to submit a timeframe and percentage of the assets managed. Furthermore, the PDC requires a board-level commitment to the initiative.

Sanctions

Sanctions for accountability refers to what happens in cases of noncompliance, i.e., when a partner in a cooperative initiative fails to live up to its commitments or the spirit of the cooperation. While a public actor can be punished by an electorate (at least in liberal democracies), companies can be punished by stock markets or consumers, and CSOs can lose reputation or members, it is less clear what the stakes are for partners in hybrid cooperative initiatives. The sanctions have to either be streamlined, finding a common denominator for all types of partners, or differentiated, where each type of partner is treated with a different sanction in case of noncompliance.

For the certification-based cooperative initiatives, the most severe sanctions for not complying with the standards are straightforward: namely, the loss of the certificate. If a participant to the RSB does not live up to the criteria at an audit, violations are categorized as major, which need to be resolved quickly, or minor, for which there is more time to resolve them (RSB 2016). If infractions are not resolved, the RSB certificate of an organization is suspended and their publication on the RSB website removed until a future audit proves satisfactory. The RSB suspends organizations that demonstrate severe noncompliance at an audit, as well as organizations that demonstrate a smaller noncompliance but do not repair the infraction within a given time frame (dependent on the infraction). The suspension is withdrawn only when every noncompliance is closed. The audit reports are published, all certified organizations are published, and the RSB certificate is withdrawn if an organization is noncompliant.

L&G has a similar sanction of companies. In the worst-case scenario of noncompliance, they are forced to stop using the certificate. In L&G, if a plan of action is not approved, the organization does not receive the L&G award or second star but has to revise and resubmit the plan. There is no procedure in case a plan of action is not approved at the third submission because, as one respondent put it: "If a plan of action is orange [up for revision], I have never encountered a situation in which it is not green [approved] at the third attempt. Or the party really is not trying, but there's money involved, so parties really do their best to get their plan of action green." (Interview R9).

The rules, however, appear to be applied quite strictly. If, for the attainment of the first star, an organization does not achieve the 20 percent

reduction of greenhouse gas emissions within a period of five years, the star is not granted. The organization consequently has the possibility to start anew, or to leave the initiative. In the hypothetical case that an organization decides to leave L&G, it is not allowed to use their logo and promotional material anymore, whether on the their website or in other communications.

For the disclosure-based cooperative initiatives, exclusion is the heaviest sanction available. In the CSR, if a previously participating state or region does not disclose their regionwide greenhouse gas inventory data, it will be excluded from the disclosure report. There are no sanctions from the initiative regarding the (lack of) progress that states and regions make, or whether or not they achieve the targets they have committed to. The PDC has yet to encounter a situation in which a participant fails to live up to their reporting obligation, and it would be up to the steering committee to determine what would happen if, after repeatedly asking the asset manager or owner to report, they did not comply (Interview R12). The initiative does not apply any sanctions regarding the attaining of targets, as one respondent stated: "We're not going to punish or exclude a member for being unsuccessful" (Interview R12). This demonstrates that the PDC values the appearance of commitment to their goals more than the actual achievement of results.

Beyond being excluded from an initiative, reputational damage is a central sanctioning mechanism in all four cases. Being in noncompliance with an initiative's goals or the self-stated commitments (for example, on a homepage), could have a series of (hypothetical) effects. For market actors, reputational damage could lead to a decrease in business opportunities as individual consumers, public authorities (through procurement guidelines), and companies are increasingly factoring sustainability into their purchasing decisions. For disclosure-based initiatives, the public response is an important ingredient for effectiveness. A member to the CSR argued, "What we do is we make available that data, in a very nice way, in English, and we produce disclosure reports. And then it's up to other organizations or up to academics, media, citizens, civil society, to hold their states accountable." (Interview R1). As Mitchell (2011) argues, transparency is most influential on behavior when it is linked to social sanctions, such as public outrage when environmentally harmful behaviors become known. Changing social norms could also have positive effects, as a respondent

from a subnational authority in Canada argued, "We're looking at our competitors, economically and geographically and otherwise, and no one wants to be the laggard, no one wants to be doing nothing while everyone else is doing something. It becomes, by doing benchmarking like this, it almost sets it up to become a race for the top, rather than a race to the bottom. You want to be a leader." (Interview R2). The PDC counts on a combined public and private sanctioning mechanism where consumers and other societal actors punish a company through reputational damage (e.g., loss in business opportunities) but also engage shareholders in the company's behavior. The level of publicity a company gains from joining or committing to a cooperative initiative is thus a double-edged sword. As one interviewee from PDC argues,

> Because it's becoming so high level, organizations know that people are going to be watching them. A lot of institutions that have made a commitment have actually announced it with a lot of fanfare…And none of these institutions have made their announcement until they had outlined their strategy and put the strategy in place. Because they know that they are going to be held accountable to those commitments. So, to be honest, I actually don't think the scenario will exist [in which the actors do not make good on their commitments], just because the commitments are made at such as a high level. No one wants to look like they have failed. Or that they haven't come through on those commitments. (Interview R12).

This suggests that actors participating in one of the hybrid voluntary initiatives are unlikely to be sanctioned, since they usually join when they already have a plan and know they will succeed, and are furthermore apprehensive of reputational damage. On the other hand, the initiatives are unlikely to apply serious sanctions to participants failing to meet their criteria, as they strive to preserve them as members and retain or regain their commitment.

Impacts

The final, and for many observers the most important, aspect of cooperative initiatives, is whether any tangible impacts can be attributed to the initiative. Also called *output accountability*, this type of accountability focuses on whether the cooperative initiative has reached its goals and can account for its impacts (see chapter 1, in this volume). On the whole, there is little data on the ex post effects of cooperative initiatives (Widerberg and Stripple

2016). It is also important to note that most cooperative initiatives are not envisaging direct environmental impacts from their actions, but rather focus on indirect impacts such as reduced energy intensity or uptake of renewables, or even more indirect indicators such as disclosure levels or reporting to a data repository. In some cases, there is no clear causal link between successful implementation of accountability procedures and standards, and environmental impacts.

Evaluation research in general is quite skeptical about the capability of drawing straight causal lines between an environmental institution and effects on the environment, due to the many confounding factors influencing the causal chain (Miles et al. 2001). Yet, Kramarz and Park rightly notice that despite the many accountability mechanisms in place, there seems to be no significant effect on the environment as a whole. However, this does not mean that individual progress has not been made. In the four cases analyzed in this chapter, tangible effects are found: holders of the first L&G star have reduced their emissions by a minimum of 20 percent compared to their base measurement, and some have widely exceeded this target. For example, Moonen Packaging reduced its GHG emissions by 50 percent. Actors from the initiatives hope that through their arrangement, the participating institutions are held accountable, and this will result in significant impacts. While the CSR requires participating subnational governments to set targets and report on progress, the relatively nascent start of the initiative makes is difficult to assess progress. Furthermore, it may in any case prove difficult to attribute any emission reductions to the Compact directly. This also applies, to some extent, to results achieved by members of L&G and the PDC. Several factors are at work for these actors, legislation increasingly comes into play, and it remains to be investigated how public pressure and market demands would have affected the actors without being channeled by the initiatives.

In the end, there are clear cases when private actors have been punished for not abiding by the spirit of cooperative initiatives. Consider, for example, the case of Shell, a fossil fuel company, who were forced to leave the influential climate lobby group Prince of Wales Corporate Leaders Group (CLG) amid concerns over its strategy to drill for oil in the Arctic, which went against the spirit and goals of the CLG (Stacey 2015). Similarly, Volkswagen's cheating on emissions tests on about 11 million diesel cars and the ensuing legal actions saw its stock price plummet (at least temporarily)

from a year high of roughly 253 euros in April 2015 to 92 euros in October 2015, equal to a drop of 63 percent (Google Finance). Moreover, processes for accountability are external to the procedures of the cooperative initiative. For example, in 2015, when Volkswagen's large-scale cheating on emissions tests was revealed, the company's four climate pledges on the NAZCA platform were duly removed.

Conclusions

Climate change governance is an issue area haunted by the accountability trap, where processes and standards for holding stakeholders accountable proliferate without any visible reduction in the total amount of GHG emissions. This chapter focuses on second-tier accountability, studying the processes, standards, sanctions, and impacts in four cases of multistakeholder cooperative initiatives engaged in climate action. One can make a distinction between the RSB and the L&G, which are certification-based initiatives, and the CSR and PDC, which are disclosure-based initiatives. The cases show how the "logics of action" (see chapter 1, in this volume) in the initiatives revolve around the use of common standards and reporting formats. Certification-based initiatives, in particular the RSB, have a more rigorous process and detailed standards in place than the disclosure-based initiatives; for instance, the certification-based initiatives require third-party verification for the certificates.

At the impact level, there is some (self-reported) evidence that the organizations that are part of cooperative initiatives are changing their behavior. For instance, some transport companies in the L&G initiative have reduced their GHG emissions substantially. Tying the reductions to the influence of the cooperative initiative, however, remains a methodological challenge for the future. Moreover, none of the four initiatives have sanctioning mechanisms in place, beyond withdrawing memberships, certifications, or the right to use logos for branding. It is also unclear to what extent such sanctioning mechanisms have been used and what their effects have been. In sum, this chapter is congruent with the description of the "accountability trap" in the introductory chapter of this volume by suggesting that while parts of second-tier accountability (primarily processes, standards, and sanctions) can be described in detail, it remains difficult to link the outputs of the various initiatives to their environmental outcomes.

In the context of accountability, more research on sanctions and their various effects on actors in cooperative initiatives would be particularly useful to better understand to what extent they play a role in accountability as a "regulative mean."

Notes

1. Coping with Fragmentation: Assessing and Reforming the Current Architecture of Global Environmental Governance, http://fragmentation.eu.

2. *Members* refers to those actors with governing capacity, i.e., rulemaking functions in the cooperative initiatives. *Participants* are those actors that are rule takers.